Space42

9M 2024 Pro Forma Results Presentation

7 November 2024

Key speakers

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Managing Director

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Agenda

1. Key highlights
2. Strategy update
3. Financial overview (9M’24)
4. Appendix

SPACE42

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Key highlights

Key highlights (9M'24)

- Differentiated and leading player in SpaceTech formed by the merger between Bayanat and Yahsat
- Solid growth foundations underpinned by a 5-Year Strategic Plan, unique capabilities and assets across the value chain
- Robust pro forma results for 9M 2024: Adjusted EBITDA increased 6% to USD 230 million, Net Income increased 17% to USD 119 million
- Strong liquidity and low leverage: USD 723 million cash[1], negative net debt of USD 40 million and a net debt to last-twelve-months Normalized Adjusted EBITDA leverage ratio of -0.1x
- Robust balance sheet with capacity to fund growth underpinned by a preferred partnership with the UAE government and contracted future revenues in excess of USD 7 billion

1. *Cash and short-term deposits.*

SPACE42

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Strategy update

SPACE42 launched

Enlighten the world from space

Space42 is **UAE's national champion** with global reach, distinguished by seamless integration of satellite communication, geospatial, and AI capabilities, positioned as a **formidable space industry powerhouse**

Merged companies

BAYANAT — yahsat

Timing and shareholding

19 Dec 2023 Merger agreement
25 Apr 2024 Shareholder approvals
1 Oct 2024 Merger completion

G42	42%
Mubadala	29%
IHC	8%
Public float	21%

Unique combination

Differentiated standalone and merged Satellite, Geospatial and AI (SGAI) services, sustained operational efficiency, and improved balance sheet

Differentiated capabilities

- **Tech-enabled innovation** through SGAI combination
- **Scalability** of global space systems coverage
- **UAE as sandbox** and platform for global development

Organizational harmony

Space Services: upstream, infrastructure-centric
Smart Solutions: downstream, AI focus

Accelerated growth

Merger unlocks new growth horizons for Space42, 2025 onward
- Positioning to capture **fast-growing space market segments**
- Growth fueled by **scalability, value-chain expansion and innovation**

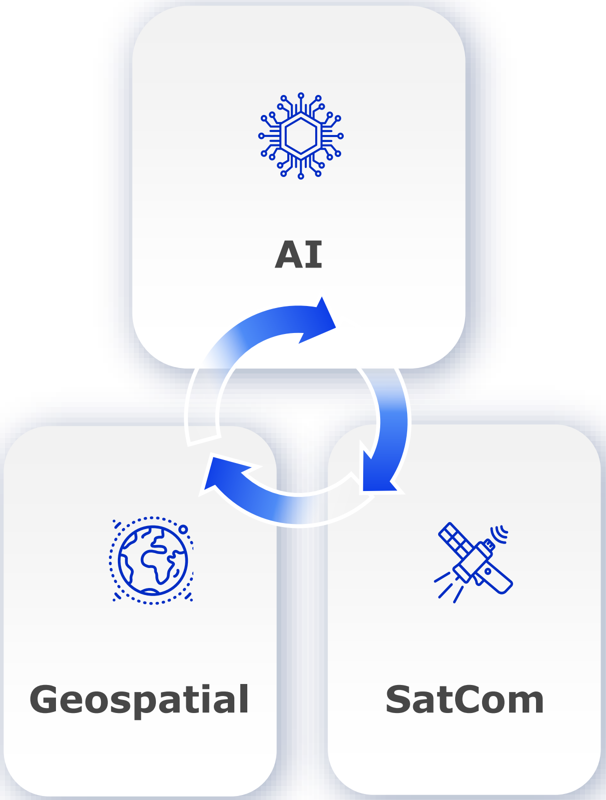
Key pro forma financials

(LTM as of 30 Sep 2024[1])

USD **2.6bn** — **Market capitalization** 25 Oct'24	USD **739mn** — **Revenue (LTM)**
USD **314mn** — **Normalized Adjusted EBITDA (LTM)**	USD **169mn** — **Normalized Net Income (LTM)**
42% — **Normalized Adjusted EBITDA margin**	**23%** — **Normalized Net Income margin**
USD **3.3bn** — **Total assets**	USD **723mn** — **Cash** and equivalents
USD **684mn** — **Gross debt**	**-0.1x** — **Leverage** (Net debt/LTM Normalized Adjusted EBITDA)

1. Unaudited management figures combining both Bayanat and Yahsat financials

Merger drivers: convergence of use cases, technology, AI



- Unique combination of **SatCom, Geospatial and AI assets**
- Optimal balancing of **cash-generating and high-growth business**
- International scalability from **global satellite coverage** and **replicable digital foundations**
- **Strategic cross-pollination of technology, resources, and R&D**
- **Cutting-edge tech** identification and **end-to-end delivery** with **focus on AI**

Unlocking value for customers

- Superior insights
- NRT[1] situational awareness and control
- Improved connectivity and security

Increasing operational efficiency

- Sharing of assets and resources
- Improved knowledge pooling
- Shared manufacturing capabilities

Positioning as regional leader with global reach

- Development of sovereign space assets
- Full value-chain local space capability
- Largest Space company in the region

1. Near real-time

Space42 strategic pillars: translating vision into reality

Core pillars and sectorial priority will secure future growth, with indirect uplift in the longer-term from key enablers

Core Pillars

1. **Become the preferred partner for premium geospatial data**
   Build tier-1 sovereign multi-sensor EO assets and capabilities

2. **Become a leader in geospatial intelligence AI platform and services**
   Deliver actionable insights to global customers

3. **Become a global NTN leader**
   Lead the NTN revolution with IoT and D2D

4. **Enhance leadership position as a secure connectivity solution provider**
   Provide multi-path critical connectivity solutions

Verticalized solutions

Enabling Pillar

5. **Drive in-country space value chain development**
   Support national capabilities and self-sufficiency

6. **Strengthen core and adjacent R&D for sustained innovation**
   Drive continuous innovation and maintaining competitive edge

7. **Embrace and adopt AI technologies across organization**
   Enhance processes, improve offerings and drive efficiency

Space42 is organised in two business units

Yahsat Space Services

Business unit focuses on Upstream and Mid-stream infrastructure-centric activities, mainly covering Yahsat's satellite communications business

Bayanat Smart Solutions

Business unit focuses on Downstream AI-enabled services and new technology incubation, mainly covering Bayanat's geospatial analytics business

Expertise

Yahsat Space Services	Bayanat Smart Solutions
Satellite communication (SatCom) services	Geospatial data acquisition and management
SatCom satellite and ground station operations and management	AI driven multi-intelligence leveraging geospatial data
Earth observation satellite and ground station operations and management	Smart Autonomous Mobility

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Financial overview (9M’24)

Note: To allow for like-for-like comparison between periods, unaudited pro forma financials for Space42 have been prepared, as if the merger had occurred on 1 January 2023. This financial information is subject to change following completion of the on-going purchase price allocation exercise

Financial highlights

Impact of modest adverse factors on revenue fall more than offset by strong cost control and other items resulting in 6% increase in Adjusted EBITDA and 17% rise in Net Income

- ✓ Yahsat Space Services ("YSS") revenue down 8% due to impact of previously communicated T3 anomaly on Commercial business, with strong performance in Government Services (+3%)
- ✓ Bayanat Smart Solutions ("BSS") revenue down 6% reflecting timing shifts in project delivery within Geospatial Analytics

Strong and stable normalized margins with offsetting changes in product mix in YSS and BSS business units

- ✓ Overall cost base down 6% driving margins (with additional synergies in pipeline) - Normalized Adjusted EBITDA and Net Income margins of 47% and 22% respectively, in line with prior year, notwithstanding first-time adoption of UAE corporate tax (at a rate of 9%). Excluding tax normalized margins higher

Significant contracted future revenues

- ✓ Contracted future revenues of USD 7.1 billion or c.10x last-twelve-month revenue

Robust balance provides ample capacity for investment underpinned by a financial framework focused on growth and attractive returns

- ✓ Negative Net Debt (USD -40 million) and leverage (-0.1x) and significant liquidity of over USD 700 million with USD 1 billion AY 4&5 advances still to come

Strong liquidity, low leverage, cut-cost-and-grow-stronger approach, and predictable future cash flow underpin a financial framework focused on organic investments, bolt-on acquisitions and generating attractive returns

Income statement highlights

Financial extracts	9M'24	9M'23	9M y/y	Δ
Revenue	**429**	**462**	***(7%)***	***(33)***
Cost of revenue	(96)	(111)	*(14%)*	*15*
Staff costs	(87)	(91)	*(4%)*	*4*
Other OpEx	(49)	(45)	*7%*	*(3)*
Other income	34	3	*nm*	*31*
Adjusted EBITDA	**230**	**217**	***6%***	***12***
Margin (%)	*54%*	*47%*		*7%*
Net finance income	18	15	*22%*	*3*
Net income (Space42 share)	**119**	**101**	***17%***	***18***
Margin (%)	*28%*	*22%*		*6%*
Normalised Adj. EBITDA	**203**	**221**	***(8%)***	***(18)***
Margin (%)	*47%*	*48%*		*(0.6%)*
Normalised Net Income	**95**	**105**	***(10%)***	***(10)***
Margin (%)	*22%*	*23%*		*(1%)*
	Sep'24	***Dec'23***	***9M YTD***	**Δ**
Cash and equivalents	723	770	*(6%)*	*(47)*

nm: not meaningful
All figures are in USD million, unless otherwise stated.

- **Revenue lower (-7% 9M y/y)** reflecting modest adverse factors in both Yahsat Space Services and Bayanat Smart Solutions
- **Space Services** impacted by weaker Commercial business (T3 satellite anomaly) which otherwise offset strong performance in Government business
- **Smart Solutions** slightly lower reflecting timing shifts in milestone completion within Geospatial Analytics; Advanced Solutions stable
- **Overall cost base lower (-6% 9M y/y)** reflecting lower cost of revenue within Space Services (fewer equipment sales) and robust cost control
- **Other income** includes USD 30 million of liquidated damages relating to T4 procurement
- **Normalized Adjusted EBITDA** (adjusted for one-off items) lower on reduced revenues but superior margin of 47% (9M’23: 48%)
- **Normalized Net Income** reflects lower EBITDA and first-time adoption of UAE corporate tax (at 9% rate) partially offset by higher net finance income and improved performance in associates. Margins remained robust at 22% (9M’23: 23%)
- **Solid balance sheet** with USD 723 million in cash and equivalents, negative net debt of USD 40 million and negative leverage ratio of -0.1x – ample funding capacity for future growth initiatives
- **Additional resources** available including USD 1 billion expected in advance payments during Al Yah 4 and 5 satellite construction and undrawn capacity on bridge loan

Normalized results

Normalized Adjusted EBITDA

	9M'24	9M'23	9M y/y	Δ
Adjusted EBITDA	**230**	**218**	***6%***	***12***
One-off restructuring costs	–	3	*(100%)*	*(3)*
One-off merger costs	3	1	*nm*	*2*
Liquidated damages (T4)	(30)	–	*nm*	*(30)*
Total EBITDA adjustments	(27)	4	*nm*	*(31)*
Normalised Adj. EBITDA	**203**	**221**	***(8%)***	***(18)***
Margin (%)	*47%*	*48%*		*(1%)*

Normalized Net Income

	9M'24	9M'23	9M y/y	Δ
Net income (Space42 share)	**119**	**101**	***17%***	***18***
Total EBITDA adjustments	(27)	4	*nm*	*(31)*
Tax impact of adjustments	2	–	*nm*	*2*
Total net income adjustment	(24)	4	*nm*	*(28)*
Normalised Net Income	**95**	**105**	***(10%)***	***(10)***
Margin (%)	*22%*	*23%*		*(1%)*

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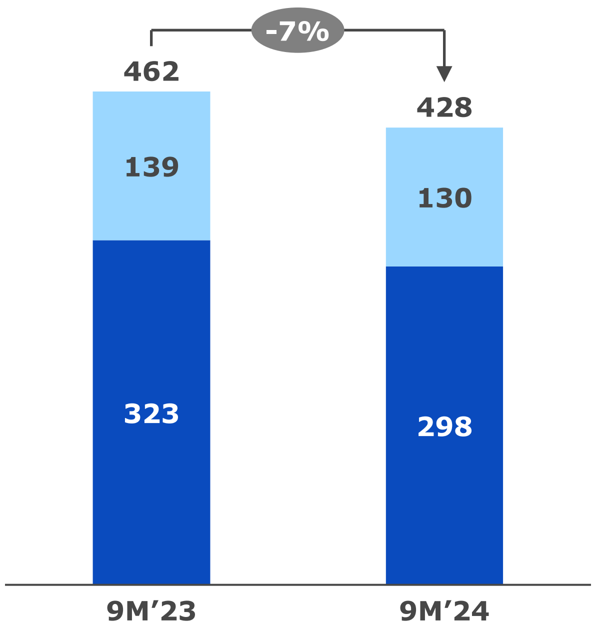
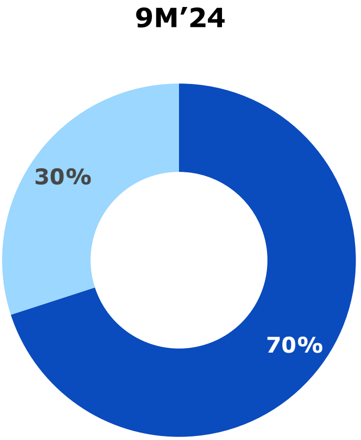
Margins remained strong and in-line with prior year despite modest adverse factors and first-time adoption of UAE's Corporate Tax

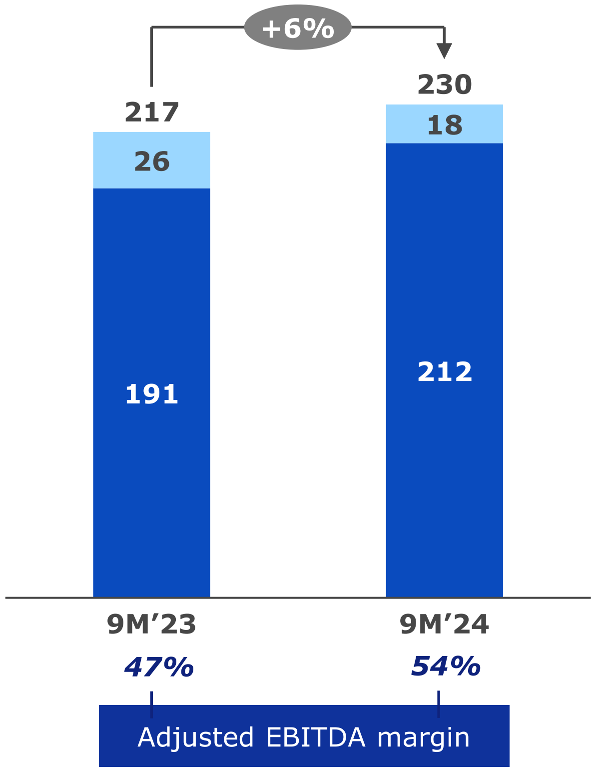
Financial performance by business unit

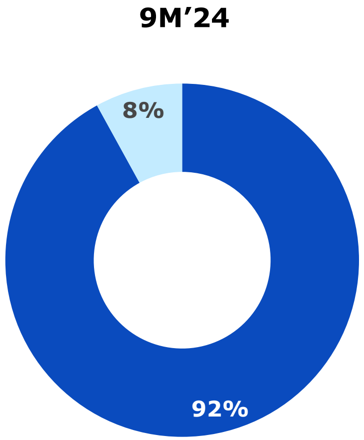
Revenue by business unit





Adjusted EBITDA by business unit





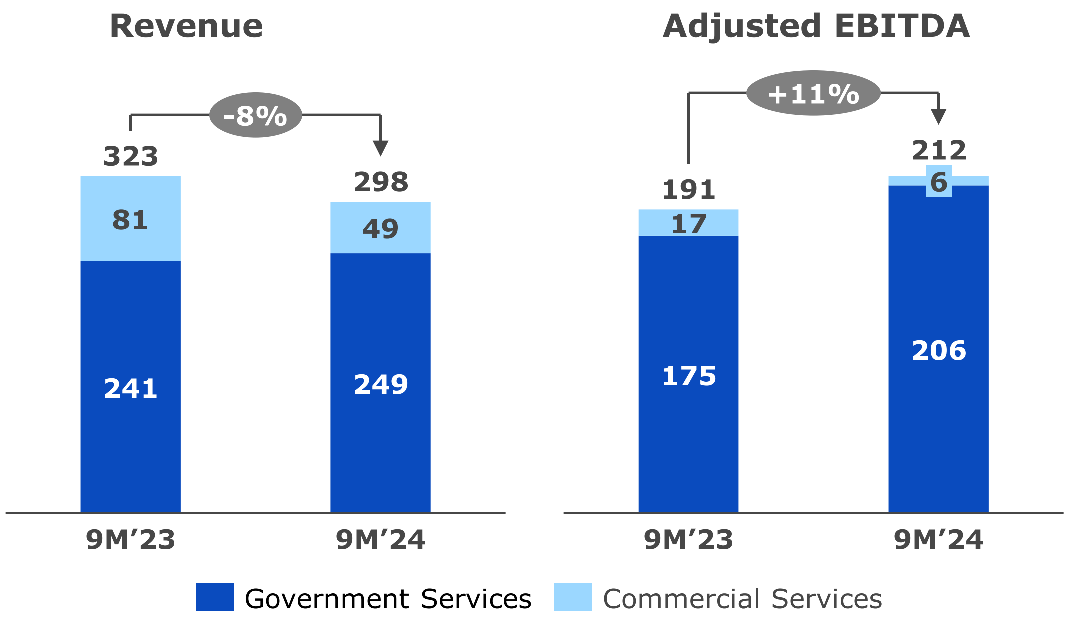
Yahsat Space Services Bayanat Smart Solutions

Note: Yahsat Space Services Adjusted EBITDA includes USD 30 million in liquidated damages due in respect of the T4 procurement

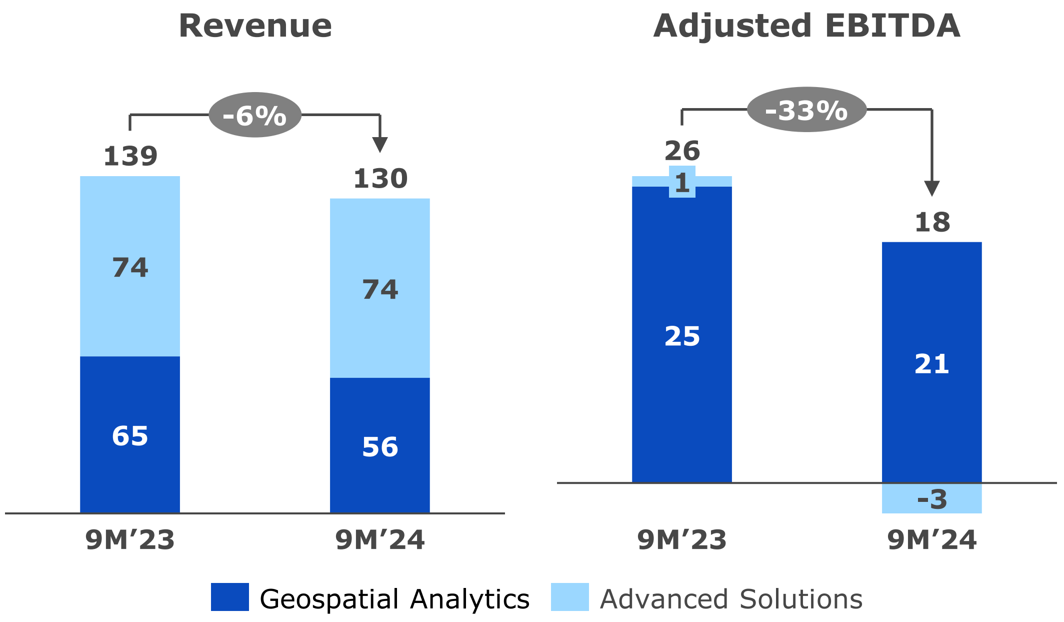
All financial figures are in USD million, unless otherwise stated

Business unit performance

Yahsat Space Services



Bayanat Smart Solutions



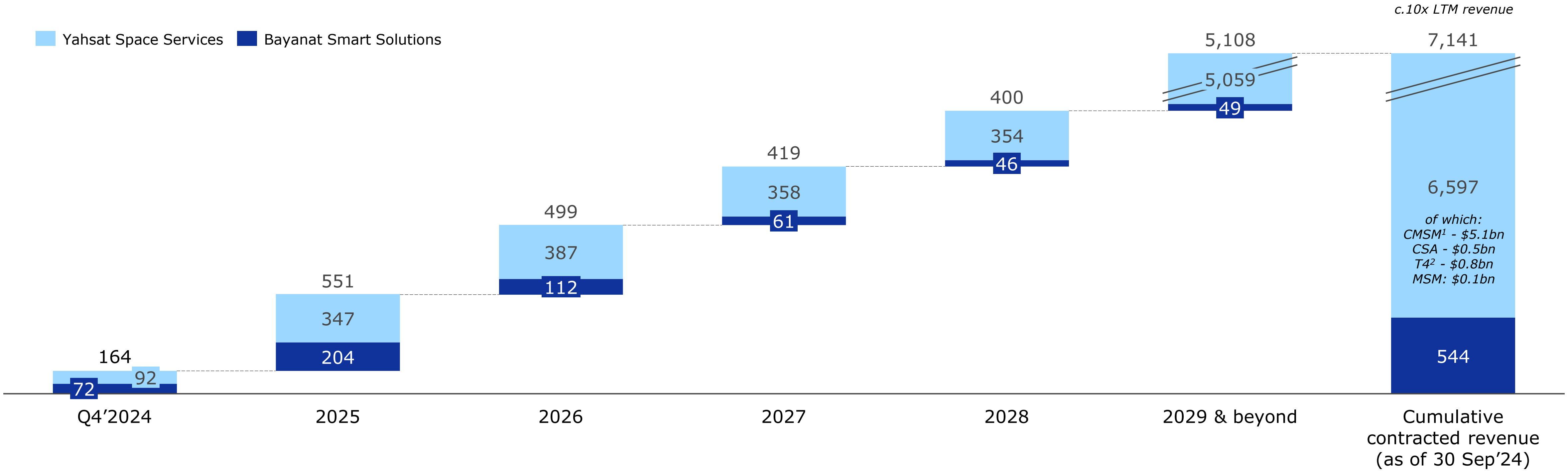
- Revenue shortfall due to T3 service outage within Commercial Services
- Government Services increased reflecting CSA indexation, new projects (product certification, naval and aircraft installations) and strong Oil & Gas (revenues +49% 9M y/y)
- Significant increase in Government EBITDA (margin > 80%) reflects USD 30 million liquidated damages (LDs)
- Excluding one-off items for Government, Adjusted EBITDA was stable
- Contracted future revenues of USD 6.6 billion include USD 789 million/53 million p.a. from 15-year T4 contract and USD 5.1 billion/300 million p.a. from 17-year new CMSM[1]

- Revenue reduction reflects shifts in project timelines within Geospatial Analytics segment – revenue catchup expected in future periods
- Lower EBITDA reflects changes in project mix year-on-year with higher margin projects and related milestones delivered in 2023 vs 2024
- EBITDA margin lower by 5 percentage points (to 14% from 19%)
- In absolute terms overall cost base broadly flat year-on-year with staff costs lower

All financial figures are in USD million, unless otherwise stated; 1. CMSM includes provision of services through AY1, AY2 starting late 2026 and two new satellites (AY4 and AY5, under construction) in subsequent years

Contracted future revenues out to 2043

92% of cumulative contracted revenues relate to Yahsat Space Services



Future contracted revenue[3] maintained at c.10x last-twelve-month pro forma revenues underpinned by CMSM[1] award

1. *CSA and Managed Services Mandate backlog replaced from end of 2026 by Capacity and Managed Services Mandate (CMSM) that was awarded in September 2023*
2. *Under IFRS 15, as a significant part of the contract price is received years ahead of the service provision, the contract is deemed to contain a significant financing component, and requires the contract value to be adjusted to include the imputed finance cost relating to the advance payments. Accordingly, the future revenue is adjusted to include USD 46.3 million (imputed finance cost relating to the first USD 150 million) and USD 44.1 million (imputed finance cost relating to the second USD 150 million). This was further adjusted to take into account payment to the end customer of a portion of the liquidated damages booked from the manufacturer, bringing the total transaction price to USD 789 million as of the end of 30 September 2024 and future annual revenue of USD 53 million. The imputed finance cost will be recorded as a charge from the date of receipt of advance payment until the advance is fully offset.*
3. *90%+ of contracted future revenue with highly rated counterparty (UAE rating at Aa2 by Moody's and AA- by Fitch, Abu Dhabi rating at Aa2 by Moody's, AA by S&P and AA by Fitch)*

Strong Balance Sheet

Balance sheet extracts	Sep'24	Dec'23	9M YTD	Δ
Fixed assets (satellites, ground systems/infrastructure, land and buildings, incl. capital work in progress)	561	673	*(17%)*	*(112)*
Capital work in progress (incl. T4, AY4/5, HAPS, SAR)	811	509	*59%*	*302*
Cash and short-term deposits	723	770	*(6%)*	*(46)*
Contract assets	249	202	*23%*	*47*
Trade and other receivables	121	114	*6%*	*7*
Other assets	805	828	*(3%)*	*(23)*
Total assets	**3,271**	**3,097**	***6%***	***174***
Borrowings (excl. amortised transaction costs)	684	453	*51%*	*230*
Trade and other payables	687	777	*(12%)*	*(90)*
Other liabilities	104	35	*193%*	*68*
Total liabilities	**1,474**	**1,265**	***17%***	***209***
Equity attributable to shareholders	1,761	1,768	*(0.4%)*	*(7)*
Non-controlling interests	36	63	*(43%)*	*(27)*
Total equity	**1,797**	**1,831**	***(2%)***	***(35)***
Total liabilities and equity	**3,271**	**3,097**	***6%***	***174***

- Increase in CWIP reflects ramp up of AY 4 & 5 program, accounting for USD 198 million of increase, T4-NGS milestones and SAR Earth observation project and HAPS
- Fall in cash and short-term deposits reflects cash CapEx and dividends offset by facility draw down – see next slide
- Trade and other receivables stable. Increase in contract assets expected to fall in short / medium term
- Higher borrowings reflect draw downs on financing facilities to fund CapEx as well as repayments of term loan – see next slide
- Trade and other payables include USD 300 million advance payments for T4 contract as well as advances received in respect of AY 1 & 2. Year-on-year reduction largely reflects on-going amortization of AY 1 & 2 advances with USD 140 million remaining at 30 September (USD 216 million at Q4 2023)
- Q3 Net Debt negative USD 40 million or -0.1x LTM Normalized Adjusted EBITDA with significant balance sheet capacity to fund growth CapEx and other accretive investments

nm: not meaningful
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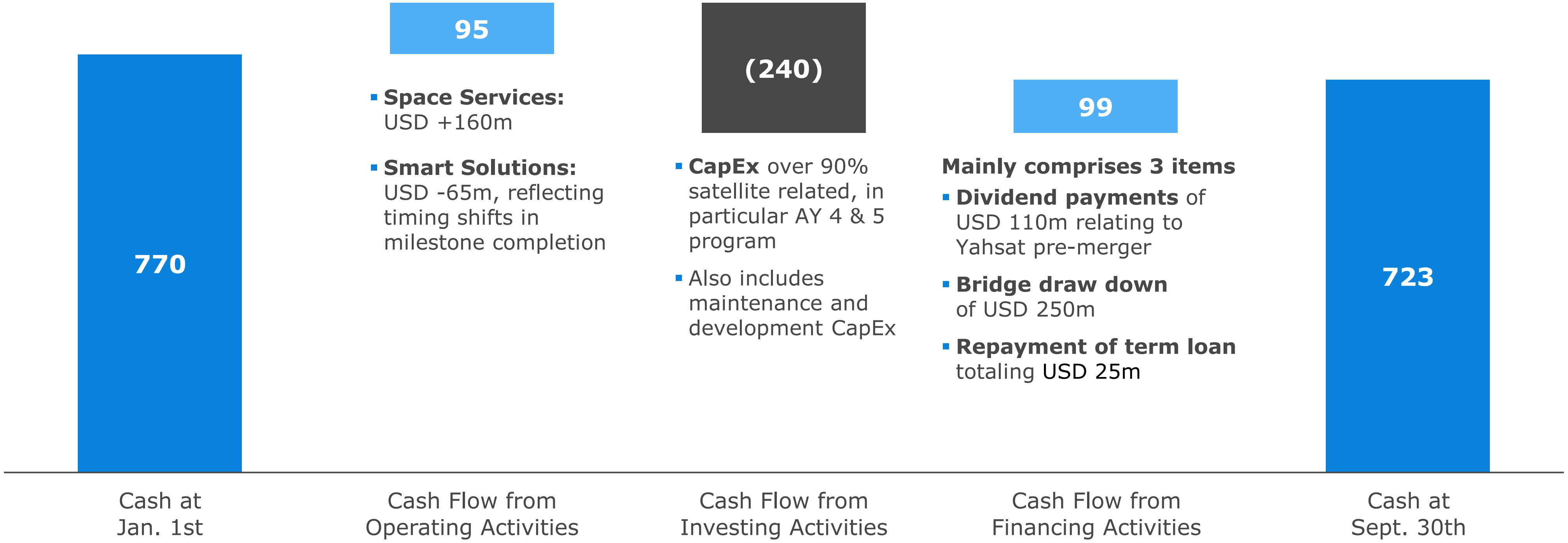
Pro Forma cash flow

Strong cash position maintained year-on-year with conversion rate in excess of 90%[1]



Note: Values in USD million, unless otherwise stated.

1. Defined as Operating FCF (Normalized Adj. EBITDA minus net non-sat CapEx and intangibles purchased. Excl. capital WIP) divided by Normalized Adjusted EBITDA.

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Q&A

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Appendix

Alternative Performance Measures

Space42 regularly uses alternative performance measures which are relevant to enhance the understanding of the financial performance and financial position of the Group. These measures may not be comparable to similar measures used by other companies; they are neither measurements under IFRS nor any other body of generally accepted accounting principles and thus should not be considered as substitutes for the information contained in the Group's financial statements.

Alternative Performance Measure	Definition
Adjusted EBITDA	Earnings from continuing operations before interest, tax, depreciation, amortisation, impairment, fair value adjustments on investment property and share of results of equity-accounted investments
Adjusted EBITDA Margin	Adjusted EBITDA divided by revenue
Government or UAE Government	Unless otherwise specified, Government shall mean the Federal Government of the UAE, the Government of Abu Dhabi and any instrumentality or body of either of them, including the General Headquarters of the UAE Armed Forces
Gross Debt	Interest bearing borrowings excluding unamortised transaction costs
Net Debt	Gross Debt minus cash and short-term deposits
Net Income	Profit attributable to the shareholders
Normalized Adjusted EBITDA	Adjusted EBITDA further adjusted for material, one-off items recorded during the current and comparative periods that would otherwise distort the underlying, like-for-like performance of the business. 9M 2024 Normalized Adjusted EBTIDA of USD 203 million reflects an adjustment for one-off advisory costs related to the merger between Bayanat and Yahsat (USD 3 million) and other income related to liquidated damages in relation to the T4 procurement contract (USD 30 million). 9M 2023 Normalized Adjusted EBITDA of USD 221 million reflects an adjustment for one-off restructuring costs (USD 3 million) and one-off advisory costs related to the merger between Bayanat and Yahsat (USD 1 million).
Normalized Adjusted EBITDA margin	Normalized Adjusted EBITDA divided by revenue
Normalized Net Income	Profit attributable to the Group's shareholders, adjusted for material, one-off items recorded during the current and comparative periods that would otherwise distort the underlying, like-for-like performance of the business. 9M 2024 Normalized Net Income of USD 95 million reflects the adjustments made above to derive Normalized Adjusted EBITDA as well as the related tax impact of these adjustments (USD 2 million) following the introduction of UAE corporate tax this year. There were no further adjustments for 9M 2023 Normalized Net Income of USD 105 million.
Normalized Net Income margin	Normalized Net Income divided by revenue

Disclaimer

The **information** contained in this presentation represents a summary of the condensed pro forma consolidated financial statements for the **nine months** ended 30 September 2024 (the **9M 2024 Financial Statements**) of Space42 PLC and its subsidiaries (**Space42**). This presentation does not purport to contain all of the information that you may wish to consider in making any investment decision, and should not be relied upon in substitution for a review of the complete 9M 2024 Financial Statements or the exercise of independent judgment. Space42 uses alternative performance measures (**APMs**) which are relevant to enhance the understanding of the financial performance and financial position of the Group, which are neither measurements under IFRS nor any other body of generally accepted accounting principles and thus should not be considered as substitutes for the information contained in the Group's financial statements. A summary of these APMs can be found in the Appendix of this presentation.

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This presentation contains forward-looking statements relating to Yahsat's operations that are based on management's current expectations, estimates and projections about the integrated satellite communication solutions and other related industries. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Yahsat undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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